



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor
Ted Stewart
Executive Director
James W. Carter
Division Director

1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
801-538-5340
801-359-3940 (Fax)
801-538-7223 (TDD)

October 28, 1997

CERTIFIED RETURN RECEIPT
P 074 976 610

Barry Lower
Plant Manager
Holnam, Incorporated
6055 East Croydon Road
Morgan, Utah 84050

Re: Formal Approval of Form and Amount of Replacement Reclamation Surety, Holnam Inc., Devil's Slide Plant Quarry, M/029/001, Morgan County, Utah

Dear Mr. Lower:

On October 27, 1997, the Division formally approved the form and amount of replacement reclamation surety for Holnam Inc.'s Devil's Slide Plant Quarry mine. The reclamation surety in the amount of \$177,600 is in the form of a surety bond issued by United Pacific Insurance Company. The Board Chairman also effected the change with his signature via a facsimile copy on October 27, 1997. The Division hereby grants its final approval of this replacement reclamation surety.

Enclosed please find copies of the fully signed and executed Reclamation Contract and surety bond forms for your files with the effective date of October 27, 1997. Also enclosed for your disposal are the *old original* reclamation contract with the effective date of April 22, 1992 with accompanying surety bond in the amount of \$147,800 issued by St. Paul Fire and Marine Insurance Company.

Thank you for your help and patience in finalizing this permitting action. Please call me if you have any questions in this regard.

Sincerely

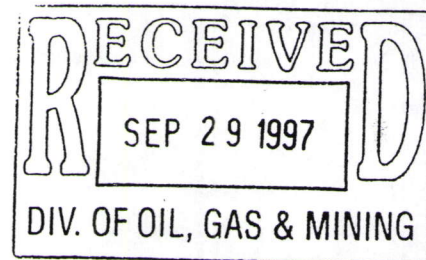
D. Wayne Hedberg
Permit Supervisor
Minerals Regulatory Program

FORM MR-RC
Revised June 10, 1996
RECLAMATION CONTRACT

29/1
File Number M/029/001

Effective Date October 27, 1997

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION of OIL, GAS and MINING
1594 West North Temple Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
(801) 538-5291
Fax: (801) 359-3940



RECLAMATION CONTRACT

---ooOoo---

For the purpose of this RECLAMATION CONTRACT the terms below are defined as follows:

"NOTICE OF INTENTION" (NOI): (File No.) (Mineral Mined)	<u>M/029/001</u> <u>LIMESTONE AND SANDSTONE</u>
"MINE LOCATION": (Name of Mine) (Description)	<u>DEVIL'S SLIDE PLANT QUARRY</u> <u>NORTH OF INTERSTATE I-80 IN SEC. 19</u> <u>T4N, R4E AND THE E/2 E/2 SEC. 24,</u> <u>T4N, R3E, MORGAN COUNTY, UTAH</u>
"DISTURBED AREA": (Disturbed Acres) (Legal Description)	<u>239</u> <u>(refer to Attachment "A")</u>
"OPERATOR": (Company or Name) (Address) (Phone)	<u>HOLNAM INC</u> <u>P O BOX 122</u> <u>DUNDEE MI 48131</u> <u>313/529-4224</u>

"OPERATOR'S REGISTERED AGENT":

(Name)

BARRY LOWER

(Address)

6055 EAST CROYDON ROAD

MORGAN, UTAH 84050

(Phone)

801/829-6821

"OPERATOR'S OFFICER(S)":

PAUL YHOUSE - PRESIDENT AND CEO

ROBERT MOIR - VICE PRESIDENT AND SECRETARY

KENT D. JENSEN - VICE PRESIDENT AND TREASURER

"SURETY":

(Form of Surety - Attachment B)

SURETY BOND

"SURETY COMPANY":

(Name, Policy or Acct. No.)

UNITED PACIFIC INSURANCE COMPANY

BOND NO. 4

"SURETY AMOUNT":

(Escalated Dollars)

\$177,600.00

"ESCALATION YEAR":

2002 DOLLARS

"STATE":

State of Utah

"DIVISION":

Division of Oil, Gas and Mining

"BOARD":

Board of Oil, Gas and Mining

ATTACHMENTS:

A "DISTURBED AREA":

B "SURETY":

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between HOLNAM INC the "Operator" and the Utah State Board of Oil, Gas and Mining ("Board").

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. M/029/001 which has been approved by the Utah State Division of Oil, Gas and Mining "Division" under the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (1953, as amended) (hereinafter referred to as "Act") and implementing rules; and

WHEREAS, Operator is obligated to reclaim that area described as the Disturbed Area as set forth and in accordance with Operator's approved Reclamation Plan, and Operator is obligated to provide surety in form and amount approved by the Board, to assure reclamation of the Disturbed Area.

NOW, THEREFORE, the Board and the Operator agree as follows:

1. Operator agrees to conduct reclamation of the Disturbed Area in accordance with the Act and implementing regulations, the original Notice of Intention dated June 14, 1977, and the original Reclamation Plan dated June 14, 1977. The Notice of Intention as amended, and the Reclamation Plan, as amended, are incorporated by this reference and made a part hereof.
2. Concurrent with the execution hereof, Operator has provided surety to assure that reclamation is conducted, in form and amount acceptable to the Board. Such surety as evidenced by the Surety Contract is in the form of the surety attached hereto as Attachment B and made a part hereof. The Surety Contract shall remain in full force and effect according to its terms unless modified by the Board in writing. If the Surety Contract expressly provides for cancellation, then, within 60 days following the Division's receipt of notice that the Surety Company intends to cancel the Surety Contract, the Operator shall provide a replacement Surety Contract in a form and amount reasonably acceptable to the Board. If the Operator fails to provide an acceptable replacement Surety Contract, the Division may order the Operator to cease further mining activities and to begin immediate reclamation of the Disturbed Area.
3. Operator agrees to pay legally determined public liability and property damage claims resulting from mining to the extent provided in Section 40-8-7(1)(e) of the Act.
4. Operator agrees to perform all duties and fulfill all reclamation requirements applicable to the mine as required by the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
5. The Operator's liability under this Contract shall continue in full force and effect until the Division certifies that the Operator has reclaimed the Disturbed Area in accordance with the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
6. If reclamation of discrete sections of the Disturbed Area is completed to the satisfaction of the Division, and the Division finds that such sections are severable from the remainder of the Disturbed Area, Operator may request the Division to certify that Operator has reclaimed such discrete sections of the Disturbed Area in accordance

with the Act and Implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended. If the Division makes such certification, Operator may make request to the (Board) that the aggregate face amount of the Surety Contract provided pursuant to paragraph 2 be reduced to an amount necessary to provide for completion of the remaining reclamation. The (Board) shall hear Operator's request for such reduction in accordance with the Board's Procedural Rules concerning requests for Agency Action.

7. Operator agrees to indemnify and hold harmless the State, Board and the Division from any claim, demand, liability, cost, charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents and employees, or contractors to comply with this Contract.
8. Operator may, at any time, submit a request to the Board to substitute surety. The Board, in its sole judgment and discretion, may approve such substitution if the substitute surety meets the requirements of the Act and the implementing rules.
9. This Contract shall be governed and construed in accordance with the laws of the State of Utah.
10. If Operator shall default in the performance of its obligations hereunder, Operator agrees to pay all costs and expenses, including reasonable attorney's fees and costs incurred by the Division and/or the Board in the enforcement of this Contract.
11. Any breach that the Division finds to be material of the provisions of this Contract by Operator may, at the discretion of the Division, result in an order to cease mining operations. After opportunity for notice and hearing, the Board of Oil, Gas and Mining may enter an order to revoke the Notice of Intention, order reclamation, or order forfeiture of the Surety Contract, or take such other action as is authorized by law.
12. In the event of forfeiture of the Surety Contract, Operator shall be liable for any additional costs in excess of the surety amount which are required to comply with this Contract. Any excess monies resulting from forfeiture of the Surety Contract, upon completion of reclamation and compliance with this Contract, shall be returned to the rightful claimant.
13. This Contract including the Notice of Intention, as amended and the Reclamation Plan, as amended, represents the entire agreement of the

parties involved, and any modification must be approved in writing by the parties involved.

14. Each signatory below represents that he/she is authorized to execute this Contract on behalf of the named party.

HOLNAM INC

Operator Name

By: Treasurer & VP Tax
Authorized Officer (Typed or Printed)

Ken Tamm
Authorized Officer's Signature

9.26.97
Date

SO AGREED this 27th day of October, 1997

AND APPROVED AS TO FORM AND AMOUNT OF SURETY:

BY Dave D. Lauriski
Dave D. Lauriski, Chairman
Utah State Board of Oil, Gas and Mining

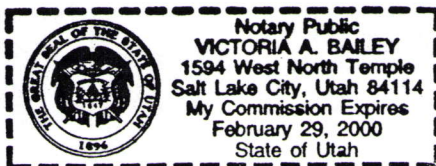
DIVISION OF OIL, GAS AND MINING:

By Lowell P. Braxton
Lowell P. Braxton, Acting Director

10/27/97
Date

STATE OF UTAH)
) ss:
COUNTY OF SALT LAKE)

On the 27 day of October, 19 97, personally
appeared before me Lowell P. Braxton, who being
duly sworn did say that he/~~she~~, the said Lowell P. Braxton
is the Acting Director of the Division of Oil, Gas and Mining, Department of Natural
Resources, State of Utah, and he/~~she~~ duly acknowledged to me that he/~~she~~
executed the foregoing document by authority of law on behalf of the State of
Utah.



Victoria A. Bailey
Notary Public
Residing at: SALT LAKE CITY, UT

February 29, 2000
My Commission Expires:

OPERATOR:

HOLNAM, INC.

Operator Name

By Treant SP Ten
Corporate Officer - Position

9.21.97
Date

M. Tansen
Signature

STATE OF Michigan)
COUNTY OF Monroe) ss:

On the 26th day of September, 19 97, personally
appeared before me Kent D. Jensen who being by
me duly sworn did say, that he/she, the said Kent D. Jensen
is the Treasurer & Vice President - Tax of Holnam Inc.
and duly acknowledged that said instrument was signed on behalf of said company
by authority of its bylaws or a resolution of its board of directors and said
Kent D. Jensen duly acknowledged to me that said
company executed the same.

Anita Leiter
Notary Public
Residing at: Monroe Co, MI

ANITA LEITER
Notary Public, Monroe County, MI
My Commission Expires May 9, 2001

My Commission Expires:

ATTACHMENT "A"

<u>HOLNAM INC</u>	<u>DEVIL'S SLIDE QUARRY</u>
Operator	Mine Name
<u>M/029/001</u>	<u>MORGAN</u> County, Utah
Permit Number	

The legal description of lands to be disturbed is:

SEE ATTACHED APPENDIX A

APPENDIX "A"

Legal Descriptions of Permitted and Disturbed Areas Permit ACT/029/001 Devil's Slide, Morgan County, Utah

Permit ACT/029/001 involves some 390 acres of land that occupy large portions of land located north of Interstate I-80 in Section 19, T.4 N., R.4 E. and the E/2 E/2 Section 24, T.4 N., R.3 E in Morgan County, Utah, described as follows:

PERMITTED AREA DESCRIPTION

Beginning at a point in the north line of said Section 19 that is located 411 feet easterly of the northwest corner of Section 19.

thence North 89 degrees 51' 10"	East, 3895.01 feet
thence South 16 degrees 20' 33"	East, 2754.28 feet
thence South 57 degrees 45' 48"	West, 656.14 feet
thence North 18 degrees 26' 06"	West, 300.42 feet
thence South 47 degrees 38' 33"	West, 1380.33 feet
thence South 41 degrees 21' 50"	West, 1059.26 feet
thence due West,	345.00 feet
thence North 23 degrees 54' 52"	West, 1208.77 feet
thence North 39 degrees 32' 46"	West, 282.71 feet
thence North 78 degrees 14' 49"	West, 304.38 feet
thence South 78 degrees 25' 25"	West, 548.15 feet
thence South 44 degrees 49' 42"	West, 472.35 feet
thence North 54 degrees 44' 25"	West, 718.88 feet
thence North 64 degrees 04' 30"	West, 480.34 feet
thence North 71 degrees 26' 59"	West, 314.33 feet
thence due North,	1010.00 feet
thence due East,	200.00 feet
thence North 45 degrees 00' 00"	East, 1414.21 feet
thence due North	748.00 feet
to the point of beginning.	

WESTERLY DISTURBED AREA

Permit (ACT/029/001), Page 2

Beginning at a point that is South 14 degrees 05' 56" West
2,881.81 feet from the Northeast corner of Section 24, T.4 N.,
R.3 E.

thence North 19 degrees 24' 25" East,	577.83 feet
thence North 55 degrees 31' 26" West,	181.96 feet
thence North 31 degrees 07' 30" East,	731.27 feet
thence South 69 degrees 56' 03" East,	177.79 feet
thence South 30 degrees 02' 00" West,	665.33 feet
thence South 74 degrees 52' 07" East,	203.04 feet
thence North 39 degrees 43' 58" East,	1109.18 feet
thence North 82 degrees 37' 03" East,	303.52 feet
thence North 14 degrees 54' 49" East,	617.81 feet
thence North 50 degrees 59' 11" East,	657.66 feet
thence North 80 degrees 38' 38" East,	1328.68 feet
thence South 31 degrees 43' 46" East,	616.08 feet
thence South 86 degrees 26' 15" East,	257.50 feet
thence South 15 degrees 00' 49" West,	582.90 feet
thence South 51 degrees 45' 19" West,	1250.36 feet
thence South 29 degrees 07' 02" West,	622.69 feet
thence South 02 degrees 20' 26" East,	367.31 feet
thence South 75 degrees 20' 49" East,	225.33 feet
thence South 01 degrees 05' 25" East,	578.11 feet
thence North 61 degrees 58' 19" West,	227.71 feet
thence North 36 degrees 44' 39" West,	364.40 feet
thence North 78 degrees 41' 24" West,	321.24 feet
thence South 78 degrees 05' 05" West,	557.00 feet
thence South 45 degrees 00' 00" West,	427.09 feet
thence North 54 degrees 51' 07" West,	871.99 feet
thence North 71 degrees 57' 00" West,	564.80 feet
to the Point of Beginning. Said parcel contains 162 acres, more or less.	

EASTERLY DISTURBED AREA

Beginning at a point that is South 37 degrees 14' 27" East,
4,263.29 feet from the Northwest corner Section 19, T.4 N.,
R.4 W.

thence North 19 degrees 11' 35" East,	501.90 feet
thence North 59 degrees 12' 57" West,	273.54 feet
thence North 30 degrees 52' 43" East,	1153.50 feet
thence North 70 degrees 36' 32" East,	454.80 feet
thence North 40 degrees 19' 29" East,	494.50 feet
thence South 54 degrees 22' 09" East,	786.18 feet
thence South 26 degrees 48' 24" East,	529.95 feet
thence South 42 degrees 17' 01" East,	387.93 feet
thence South 16 degrees 33' 52" East,	203.44 feet
thence South 58 degrees 35' 51" West,	604.55 feet
thence North 18 degrees 41' 05" West,	290.30 feet
thence South 47 degrees 40' 49" West,	1421.43 feet
thence North 71 degrees 00' 49" West,	854.49 feet
to the Point of Beginning. Said parcel contains 77 acres more or less.	

ATTACHMENT B

MR FORM 5

June 10, 1996

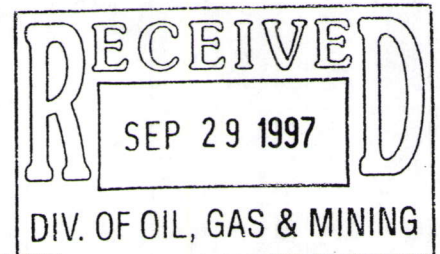
Bond Number

Permit Number M/029/001

Mine Name DEVIL'S SLIDE PLANT
QUARRY

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES

Division of Oil, Gas and Mining
1594 West North Temple Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
Telephone: (801) 538-5291
Fax: (801) 359-3940



THE MINED LAND RECLAMATION ACT

SURETY BOND

The undersigned HOLNAM INC, as Principal,
and UNITED PACIFIC INSURANCE COMPANY, as Surety, hereby jointly and
severally bind ourselves, our heirs, administrators, executors, successors, and assigns, jointly
and severally, unto the State of Utah, Division of Oil, Gas and Mining (Division) in the penal
sum of ONE HUNDRED SEVENTY-SEVEN THOUSAND dollars (\$ 177,600.00*****).
SIX HUNDRED AND NO/100-----

Principal has estimated in the Mining and Reclamation Plan approved by the Division
on the 3RD day of DECEMBER, 19 87, that 239 acres of land will
be disturbed by mining operation in the State of Utah.

A description of the disturbed land is attached as "Attachment A" to the
Reclamation Contract, of which this document is an integral part.

The condition of this obligation is that if the Division determines that Principal has
satisfactorily reclaimed the disturbed lands in accordance with the approved Mining and
Reclamation Plan and has faithfully performed all requirements of the Mined Land
Reclamation Act, and complied with the Rules and Regulations adopted in accordance
therewith, then this obligation shall be void; otherwise it shall remain in full force and effect.

If the Mining and Reclamation Plan provides for periodic partial reclamation of the
disturbed lands, and if the lands are reclaimed in accordance with such Plan, Act and
regulations, then Principal may apply for a reduction in the amount of this Surety Bond.

In the converse, if the Mining and Reclamation Plan provides for a gradual increase in
the area disturbed or the extent of disturbance, then, the Division may require that the amount
of this Surety Bond be increased, with the written approval of the Surety.

Principal and Surety and their successors and assigns agree to guarantee said obligation and to indemnify, defend, and hold harmless the Division from any and all expenses (including attorney fees) which the Division may sustain in the collection of sums due hereunder.

IN WITNESS WHEREOF, the Principal and Surety hereunto set their signatures and seals as of the dates set forth below.

9-26-97

Date

Treasury + VPTax

M. Tamm

Signature

UNITED PACIFIC INSURANCE COMPANY
Company Officer

SEPTEMBER 23, 1997

Date

JOHN P. BOOTH, ATTORNEY-IN-FACT

Title/Position / / /

Title/Position


Signature

Page 3
MR-5 (revised June 10, 1996)
Attachment B

Bond Number _____
Permit Number M/029/001
Mine Name DEVIL'S SLIDE PLANT
QUARRY

SO AGREED this 27th day of October, 1997.

AND APPROVED AS TO FORM AND AMOUNT OF SURETY:



Dave D. Lauriski, Chairman
Utah State Board of Oil, Gas and Mining

*NOTE: Where one signs by virtue of Power of Attorney for a Surety, such Power of Attorney must be filed with this bond. If the Operator is a corporation, the bond shall be executed by its duly authorized officer.

AFFIDAVIT OF QUALIFICATION

On the 23RD day of SEPTEMBER, 1997, personally appeared before me
JOHN P. BOOTH who being
by me duly sworn did say that he/she, the said JOHN P. BOOTH is the ATTORNEY-IN-FACT
of UNITED PACIFIC INSURANCE COMPANY and duly
acknowledged that said instrument was signed on behalf of said company by authority of its
bylaws or a resolution of its board of directors and said
JOHN P. BOOTH duly acknowledged to me that said company
executed the same, and that he/she is duly authorized to execute and deliver the foregoing
obligations; that said Surety is authorized to execute the same and has complied in all
respects with the laws of Utah in reference to becoming sole surety upon bonds, undertaking
and obligations.

Signed: _____

Surety Officer

JOHN P. BOOTH

Title: ATTORNEY-IN-FACT

STATE OF MICHIGAN)
) ss:
COUNTY OF WAYNE)

Subscribed and sworn to before me this 23RD day of SEPTEMBER, 1997.

Virginia L. Townsend
Notary Public
Residing at: _____

My Commission Expires:

VIRGINIA L. TOWNSEND
NOTARY PUBLIC, Macomb County, Michigan
My Commission Expires March 12, 1999
Acting in Wayne County

_____, 19____

APPENDIX "A"

Legal Descriptions of Permitted and Disturbed Areas Permit ACT/029/001 Devil's Slide, Morgan County, Utah

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Beginning at a point in the north line of said Section 19 that is located 411 feet easterly of the northwest corner of Section 19.

thence North 89 degrees 51' 10"	East, 3895.01 feet
thence South 16 degrees 20' 33"	East, 2754.28 feet
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thence North 64 degrees 04' 30"	West, 480.34 feet
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thence due North,	1010.00 feet
thence due East,	200.00 feet
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WESTERLY DISTURBED AREA

Permit (ACT/029/001), Page 2

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thence North 31 degrees 07' 30" East,	731.27 feet
thence South 69 degrees 56' 03" East,	177.79 feet
thence South 30 degrees 02' 00" West,	665.33 feet
thence South 74 degrees 52' 07" East,	203.04 feet
thence North 39 degrees 43' 58" East,	1109.18 feet
thence North 82 degrees 37' 03" East,	303.52 feet
thence North 14 degrees 54' 49" East,	617.81 feet
thence North 50 degrees 59' 11" East,	657.66 feet
thence North 80 degrees 38' 38" East,	1328.68 feet
thence South 31 degrees 43' 46" East,	616.08 feet
thence South 86 degrees 26' 15" East,	257.50 feet
thence South 15 degrees 00' 49" West,	582.90 feet
thence South 51 degrees 45' 19" West,	1250.36 feet
thence South 29 degrees 07' 02" West,	622.69 feet
thence South 02 degrees 20' 26" East,	367.31 feet
thence South 75 degrees 20' 49" East,	225.33 feet
thence South 01 degrees 05' 25" East,	578.11 feet
thence North 61 degrees 58' 19" West,	227.71 feet
thence North 36 degrees 44' 39" West,	364.40 feet
thence North 78 degrees 41' 24" West,	321.24 feet
thence South 78 degrees 05' 05" West,	557.00 feet
thence South 45 degrees 00' 00" West,	427.09 feet
thence North 54 degrees 51' 07" West,	871.99 feet
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to the Point of Beginning. Said parcel contains 162 acres, more or less.	

EASTERLY DISTURBED AREA

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R.4 W.

thence North 19 degrees 11' 35" East,	501.90 feet
thence North 59 degrees 12' 57" West,	273.54 feet
thence North 30 degrees 52' 43" East,	1153.50 feet
thence North 70 degrees 36' 32" East,	454.80 feet
thence North 40 degrees 19' 29" East,	494.50 feet
thence South 54 degrees 22' 09" East,	786.18 feet
thence South 26 degrees 48' 24" East,	529.95 feet
thence South 42 degrees 17' 01" East,	387.93 feet
thence South 16 degrees 33' 52" East,	203.44 feet
thence South 58 degrees 35' 51" West,	604.55 feet
thence North 18 degrees 41' 05" West,	290.30 feet
thence South 47 degrees 40' 49" West,	1421.43 feet
thence North 71 degrees 00' 49" West,	854.48 feet
to the Point of Beginning. Said parcel contains 77 acres more or less.	

RELIANCE SURETY COMPANY
UNITED PACIFIC INSURANCE COMPANY

RELIANCE INSURANCE COMPANY
RELIANCE NATIONAL INDEMNITY COMPANY

ADMINISTRATIVE OFFICE, PHILADELPHIA, PENNSYLVANIA

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that RELIANCE SURETY COMPANY is a corporation duly organized under the laws of the State of Delaware, and that RELIANCE INSURANCE COMPANY and UNITED PACIFIC INSURANCE COMPANY, are corporations duly organized under the laws of the Commonwealth of Pennsylvania and that RELIANCE NATIONAL INDEMNITY COMPANY is a corporation duly organized under the laws of the State of Wisconsin (herein collectively called "the Companies") and that the Companies by virtue of signature and seals do hereby make, constitute and appoint Virginia L. Townsend, Timothy R. Koos, John P. Booth., of Detroit, Michigan their true and lawful Attorney(s)-in-Fact, to make, execute, seal and deliver for and on their behalf, and as their act and deed any and all bonds and undertakings of suretyship and to bind the Companies thereby as fully and to the same extent as if such bonds and undertakings and other writings obligatory in the nature thereof were signed by an Executive Officer of the Companies and sealed and attested by one other of such officers, and hereby ratifies and confirms all that their said Attorney(s)-in-Fact may do in pursuance hereof.

This Power of Attorney is granted under and by the authority of Article VII of the By-Laws of RELIANCE SURETY COMPANY, RELIANCE INSURANCE COMPANY, UNITED PACIFIC INSURANCE COMPANY, and RELIANCE NATIONAL INDEMNITY COMPANY which provisions are now in full force and effect, reading as follows:

ARTICLE VII - EXECUTION OF BONDS AND UNDERTAKINGS

1. The Board of Directors, the President, the Chairman of the Board, any Senior Vice President, any Vice President or Assistant Vice President or other officer designated by the Board of Directors shall have power and authority to (a) appoint Attorney(s)-in-Fact and to authorize them to execute on behalf of the Company, bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof, and (b) to remove any such Attorney(s)-in-Fact at any time and revoke the power and authority given to them.

2. Attorney(s)-in-Fact shall have power and authority, subject to the terms and limitations of the Power of Attorney issued to them, to execute deliver on behalf of the Company, bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof. The corporate seal is not necessary for the validity of any bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof.

3. Attorney(s)-in-Fact shall have power and authority to execute affidavits required to be attached to bonds, recognizances, contracts of indemnity or other conditional or obligatory undertakings and they shall also have power and authority to certify the financial statement of the Company and to copies of the By-Laws of the Company or any article or section thereof.

This Power of Attorney is signed and sealed by facsimile under and by authority of the following resolution adopted by the Executive and Finance Committees of the Boards of Directors of Reliance Insurance Company, United Pacific Insurance Company and Reliance National Indemnity Company by Unanimous Consent dated as of February 28, 1994 and by the Executive and Financial Committee of the Board of Directors of Reliance Surety Company by Unanimous Consent dated as of March 31, 1994.

"Resolved that the signatures of such directors and officers and the seal of the Company may be affixed to any such Power of Attorney or any certificates relating thereto by facsimile, and any such Power of Attorney or certificate bearing such facsimile signatures or facsimile seal shall be valid and binding upon the Company and any such Power so executed and certified by facsimile signatures and facsimile seal shall be valid and binding upon the Company, in the future with respect to any bond or undertaking to which it is attached."

IN WITNESS WHEREOF, the Companies have caused these presents to be signed and their corporate seals to be hereto affixed, this September 26, 1995.



RELIANCE SURETY COMPANY
RELIANCE INSURANCE COMPANY
UNITED PACIFIC INSURANCE COMPANY
RELIANCE NATIONAL INDEMNITY COMPANY

David T. Akers

STATE OF Pennsylvania
COUNTY OF Philadelphia

} ss.

On this, September 26, 1995, before me, Tammy Sue Kayati, personally appeared David T. Akers, who acknowledged himself to be the Senior Vice President of the Reliance Surety Company, and the Vice President of Reliance Insurance Company, United Pacific Insurance Company, and Reliance National Indemnity Company and that as such, being authorized to do so, executed the foregoing instrument for the purpose therein contained by signing the name of the corporation by himself as its duly authorized officer.

In witness whereof, I hereunto set my hand and official seal.

NOTARIAL SEAL
TAMMY SUE KAYATI, Notary Public
City of Philadelphia, Phila. County
My Commission Expires July 20, 1998



Tammy Sue Kayati
Notary Public in and for the State of Pennsylvania
Residing at Philadelphia

I, Anita Zippert, Secretary of RELIANCE SURETY COMPANY, RELIANCE INSURANCE COMPANY, UNITED PACIFIC INSURANCE COMPANY, and RELIANCE NATIONAL INDEMNITY COMPANY do hereby certify that the above and foregoing is a true and correct copy of the Power of Attorney executed by said Companies, which is still in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seals of said Companies this 23rd day of September 1997.



Anita Zippert
Secretary